

**LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING
HOUSTON, TEXAS**

December 12, 2013

A meeting of the Board of Directors ("Board") of the Land Assemblage Redevelopment Authority ("LARA" or the "Authority"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, et seq., and the Texas Local Government Code Annotated, Section 394.001 et seq., was held in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby Street, Houston, Harris County, Texas, on Thursday, December 12, 2013 at 2:00 p.m. Written notice of the meeting, which included the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

David Collins
LaTrisha Williams
Nicholas Hall
Pastor Steve Hall
Stephan Fairfield

Curtis Lampley
Faith Jackson
Vincent Marquéz
Jeremy Ratcliff

Board members absent were Reshard Alexander, James Harrison, III, Rev. John Bowie, and Antoinette Jackson.

Others in attendance included: Chris Butler, Yvonne Cantu, and Norma Garcia of the City of Houston Housing and Community Development Department; Greg Erwin, Attorney, and Mark Glanowski, Paralegal, of Winstead PC, the Authority's General Counsel; Gracie Saenz, Attorney, with Saenz & Burkhardt, P.L.L.C.; Jorge Cavazos, Senior Real Estate Analyst of the City of Houston Housing and Community Development Department; Annette Mitchell of the City of Houston Planning and Development Department; Leah Stolar of Linebarger Goggan Blair & Sampson, LLP; Pastor Jasper of the New Light Baptist Church; Joshua Sanders of Houstonians for Responsible Growth; George Balla of InterLoop Homes; and Jim Walter of Solaris Homes.

I. Call to Order and Roll Call

Chairman Collins called the meeting to order at 2:00 p.m. A roll call of the Board members in attendance immediately followed.

II. Approval of Minutes for the October 25, 2013 Board Meeting

Chairman Collins asked if there are any comments or changes to the written minutes of the Board of Directors meeting held on October 25, 2013 as presented. Hearing none, he then requested a motion to approve such minutes as written. Ms. Williams made a motion to approve

the minutes as written, which motion was then duly seconded by Pastor Hall and carried by a unanimous vote of the Board.

III. Treasurer's Report

Chairman Collins requested Mr. Ratcliff to discuss the LARA financial reports for September and October 2013. Mr. Ratcliff stated that the Finance Committee met last month and the financial position of LARA has not changed during these two months. During its meeting the Finance Committee did discuss use of the money market funds for neighborhood programs however, no recommendations were made.

Mr. Ratcliff then made a motion to approve the financial reports for September and October 2013, which motion was duly seconded by Pastor Hall and carried by the unanimous vote of the Board.

IV. Auction Update by Linebarger Goggan Blair & Sampson, LLP

Chairman Collins asked Ms. Stolar of Linebarger Goggan Blair & Sampson, LLP to report on the results of the December foreclosure auction activity. Ms. Stolar stated that there were two (2) LARA lot purchases during the December 2013 foreclosure sale. She stated that there are two (2) lots available at the foreclosure sales in January 2014.

V. Committee Reports

a) Executive Committee Report

Chairman Collins stated that the Executive Committee met prior to the Board meeting to discuss the award of lot acquisition contracts, the request for a price reduction by the New Light Baptist Church for a lot under the ROFR Program, the possible action to amend the current RFR for Houston Hope homes, and the scheduling of a tour of Houston Hope neighborhoods.

b) Builder Selection Committee Report

Nothing to report.

c) Ratification and acknowledgement of award of a LARA lot acquisition contract to Mayberry Homes under contract #040113-01 in Fifth Ward for construction of new affordable housing under the \$1 Lot Program

Mr. Cavazos addressed the Board and recommended the award of Contract #040113-01 to Mayberry Homes. Upon motion of Mr. Fairfield, duly seconded by Mr. Marquéz and carried by the unanimous vote of the Board, the contract to Mayberry Homes was approved for the construction of a house in Fifth Ward.

d) Ratification and acknowledgement of award of a LARA lot acquisition contract to Mayberry Homes under contract #120313-01 in Trinity/Houston Gardens for construction of new affordable housing under the \$1 Lot Program

Mr. Cavazos reported that Mayberry Homes requested this morning that it wishes to pay full price for this lot; therefore, this item was removed from the agenda and will be placed on the agenda for the next meeting.

Chairman Collins then requested Mr. Cavazos to report on the status of the Houston Hope single-family house construction. Mr. Cavazos reported there are currently 17 houses under various stages of construction; 26 houses that have been completed but are unsold, and 264 houses which have been sold to homebuyers since inception of the Houston Hope program.

VI. Consideration and possible action authorizing the sale under the ROFR Program to New Light Baptist Church for LARA lot, HCAD #0511740100004, LT 4 BLK J

Chairman Collins requested Pastor Jasper of the New Light Baptist Church to address the Board in connection with the request for a reduction in the price of LARA lots now under contract.

Pastor Jasper informed the Board that the church has been maintaining this lot for ten (10) years. Basically, the church deacons mow this lot along with the other church property. The lot is being used by the church for parking and recreation matters. Pastor Hall stated that the Board cannot arbitrarily reduce the price but is willing to examine all available parameters with regard to the value of this lot. Ms. Williams asked what price does the church wish to pay for this lot. Pastor Jasper responded that the church now wishes to pay \$20,000.00 for the lot but would remain interested if there is now reduction in the price. The Board took no action on this matter. Upon motion of Pastor Hall, duly seconded by Mr. Lampley, the Board voted unanimously to delay its decision on this request.

VII. Consideration and possible action to amend the current RFP for Houston Hope Homes

Mr. Cavazos discussed amending the current RFP for Houston Hope homes to reflect the increase in home construction costs. The U.S. Department of Housing and Urban Development (HUD) has a ceiling price of \$195,000 for new home construction for persons receiving assistance. A recent Case-Schiller report indicates there has been a 12.2% increase in house prices in Houston, Texas. The LARA contractors are requesting an increase to the \$175,000 to \$200,000 range for the houses being constructed and sold on LARA lots. Mr. Cavazos recommends increasing the house price limit on the \$1 lots to \$145,000 and the standard lots to \$175,000 which is a \$25,000 increase over the current limits. Further, Mr. Cavazos reported that the home contractors have been requesting more inventory of LARA lots and the ability to obtain more lots at under one contract. Mr. Cavazos recommended increasing the limit from 10 lots to 25 or 50 lots per contract.

Chairman Collins requested the builders to speak on this issue. The first to address the Board was Joshua Sanders of Houstonians for Responsible Growth who recommended that

LARA consider increasing the maximum number of lots available per contract from 10 lots to 30 and/or 50 lots in order to maximize economics of construction costs and stabilize the neighborhoods.

Mr. George Balla of Interloop Homes then addressed the Board to acknowledge the increased construction costs he is experiencing. He can no longer provide free washers, dryers, nor window blinds for the 1,600 square foot homes at the \$150,000.00 sale price. Now he can only construct a 1,237 square foot home for the \$150,000.00 price but it would not include enough space for parties with children. He is currently selling homes in Independence Heights for \$175,000.00.

Lastly, Mr. Jim Waller of Solaris Homes stated that he is turning away purchasers because of the price caps mandated by LARA. The houses he builds are energy efficient and are located in the Acres Home area of Houston but with the increase in construction costs, he will not be able to build homes under the LARA price caps.

VIII. Chairman's Comments.

Nothing to report.

IX. Board Member Comments.

Nothing to report.

X. Public Comments – Pastor John Jasper, Jr. with New Light Baptist Church is requesting a price reduction for the LARA lot, HCAD #0511740100004.

Pastor John Jasper, Jr. of New Light Baptist Church addressed the Board to request a reduction in the price of the LARA lot requested as noted above. The Board decided to examine the documentation used to establish the original price for this lot.

XI. Adjournment

Chairman Collins asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting adjourned at 2:40 p.m. pursuant to the motion by Ms. Williams and duly seconded by Mr. Fairfield.

Minutes prepared by:

Mark Glanowski of Winstead PC
and Graciela Saenz of
Saenz & Burkhardt, P.L.L.C.

Signed on the ____ of _____, 2014.

President